

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 97-164-C - ORDER NO. 97-653

AUGUST 4, 1997

IN RE: Application of CRG International, Inc.)	ORDER
DBA Network One for a Certificate of)	APPROVING
Public Convenience and Necessity to)	CERTIFICATE TO
Provide Local Exchange Telecommuni-)	PROVIDE LOCAL
cations Services within the State of)	SERVICE
South Carolina.)	

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the application of CRG International d/b/a Network One ("CRG" or "the Company"). The Application requests that the Commission grant CRG a Certificate of Public Convenience and Necessity to allow CRG to provide resold and facilities-based local exchange telecommunications services in the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996) and the Regulations of the Commission.

By letter dated May 9, 1997, the Commission's Executive Director instructed CRG to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings and to provide notice of the

hearing date on this matter. CRG complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. Petitions to Intervene were received from BellSouth Telecommunications, Inc. ("BellSouth") and the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on July 16, 1997, at 11:30 a.m. in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. CRG was not represented by counsel. The Commission Staff ("Staff") was represented by Florence P. Belser, Staff Counsel. BellSouth did not appear at the hearing.

Prior to the hearing, CRG and the SCTC executed a Stipulation dated July 3, 1997, and the Stipulation was filed with the Commission. As a result of the Stipulation, SCTC withdrew its intervention in the Docket. CRG offered the Stipulation as a Hearing Exhibit (Hearing Exhibit No. 1) and requested Commission approval of the Stipulation. The Stipulation provides the following:

(1) The SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to CRG if the Commission makes the necessary findings to grant the Certificate and if all stipulated conditions are met;

(2) CRG agrees that any Certificate granted by the Commission will authorize CRG to provide service only to customers located in non-rural local exchange company ("LEC") service areas except as otherwise provided;

(3) CRG agrees that it is not requesting the Commission to

find whether competition is in the public interest for rural areas;

(4) CRG agrees that it will not provide local service, by its own facilities or otherwise, to any customer in a rural incumbent LEC's service area, unless and until CRG provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. CRG also acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause;

(5) CRG agrees that if, after CRG gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then CRG will not provide service to any customer located within the service area in question without prior and further Commission approval;

(6) CRG acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South

Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures and guidelines do not conflict with Federal or State law;

(7) CRG and the SCTC agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and that the stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled; and

(8) CRG agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

This stipulation is consistent with our decision in Order No. 96-494 (Docket No. 96-073-C). It was signed voluntarily by both the SCTC and CRG, was filed with the Commission prior to the hearing in this matter, and was made a part of the record at the hearing. We therefore approve the stipulation.

In support of its Application, CRG presented Gene E. Lane, Jr., President and CEO of CRG, to testify. The purpose of Mr. Lane's testimony was to present evidence on the technical, managerial, and financial abilities of CRG to provide local exchange telecommunications services in South Carolina and to discuss the services which CRG proposes to offer.

DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1996) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, CRG's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by CRG should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that CRG possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1996). To demonstrate CRG's technical qualifications, Mr. Lane testified that CRG is currently certified and provides 1+ service in South Carolina. Mr. Lane stated that in order to remain competitive, CRG must be able to provide a full compliment of telecommunications services. CRG is presently certified to provide local services in Alabama and is in the process of registering or obtaining authorization in fourteen (14) other states. Further, Mr. Lane stated that the Company is in negotiations with BellSouth to enter into a local Resale Agreement and will eventually negotiate and execute a separate Interconnection Agreement with BellSouth.

Concerning CRG's managerial qualifications, Mr. Lane testified that CRG's management team has extensive managerial and technical expertise. Regarding CRG's financial resources, the record reveals that CRG is organized under the laws of the State of Georgia. Mr. Lane testified that CRG has sufficient financial resources to provide local services. According to Mr. Lane, CRG is funded with venture capital and has been growing significantly profitable since January 1997. No other party offered any evidence in opposition to Mr. Lane's testimony. Based on the undisputed evidence of the record, the Commission finds that CRG possesses the technical, financial, and managerial resources sufficient to provide the services requested.

(2) The Commission finds that CRG will provide services that will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1996). Mr. Lane testified that CRG seeks to provide local exchange telecommunications services. Mr. Lane specifically stated that CRG will comply with all applicable rules, policies, and statutes applicable to the offering of those services and that CRG fully intends to meet the Commission's service standards. Furthermore, Mr. Lane stated that CRG will make certain changes to its tariff to bring the tariff into compliance with Commission Rules and Regulations. No party offered any evidence to dispute Mr. Lane's testimony. Based on the undisputed testimony from Mr. Lane, the Commission believes, and so finds, that CRG will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that CRG's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Mr. Lane stated that CRG service offerings will not adversely impact the availability of affordable local exchange service. Mr. Lane offered that certification of CRG will provide competitive local service within South Carolina which will promote competition within the telecommunications industry resulting in the offering of higher quality services at lower prices. No party offered any evidence that the provision of local exchange service by CRG would adversely affect local rates. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by CRG will not adversely impact affordable local exchange service.

(4) The Commission finds that CRG will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1996). Mr. Lane testified that CRG will comply with the Commission's universal service requirements. No party disputed Mr. Lane's testimony. Based on the undisputed evidence of record, the Commission finds that CRG will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by CRG "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996). Mr. Lane offered that approval of CRG to provide services will

benefit consumers by ensuring competitive local service within the State of South Carolina. Mr. Lane also offered that approval of CRG to provide local service would promote competition within the telecommunications industry resulting in the offering of higher quality services at lower prices. Mr. Lane's testimony was undisputed as no party offered any evidence that approval of CRG's Application would adversely impact the public interest. Therefore, the Commission finds that approval of CRG's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996).

Therefore, based on the findings above, the Commission finds and concludes that the Certificate sought by CRG should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of CRG for a Certificate of Public Convenience and Necessity to provide resold and facilities-based local exchange telecommunications services in the State of South Carolina is approved.
2. The Stipulation filed by CRG and the SCTC is approved by this Commission, is binding upon CRG and the SCTC, and shall be implemented as set forth in the Stipulation. We therefore make no findings or conclusions regarding competition in the rural areas of South Carolina. CRG shall conduct its operations in compliance with the Stipulation until further Order of the Commission.
3. CRG shall file, prior to offering local exchange services

in South Carolina, a final tariff of its service offerings. The final tariff shall include the modifications and changes as proposed by the Commission Staff and to which CRG agreed.

4. CRG shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, CRG shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. CRG shall file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, CRG shall promptly notify the Commission in writing if the representatives are replaced. CRG is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. CRG shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

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ATTACHMENT A

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230